

Initial Public Offer: Watermark Global Leaders Fund Limited (ASX Code: WGF)

Watermark Global Leaders Fund (the "Company") is undertaking an initial public offer ("IPO") of ordinary shares, each with an attaching option, pursuant to a prospectus dated on 27 October 2016. A copy of the Company's prospectus is available at www.wfunds.com.au. Anyone who wants to acquire shares and options in the Company, and participate in the IPO, will need to complete the application form that will accompany the Company's prospectus, during the offer period. This is not a complete description of Watermark Global Leaders Fund Limited ("WGF" or "Company"), the new shares or options to be issued under the initial public offering of WGF ("IPO" or "Offer"). Investors should consider the content of the Prospectus in its entirety, including the terms and conditions of the IPO and risk factors (Section 6 of the Prospectus) involved in investing in WGF, the Shares and the options under the IPO before making any investment decision. Terms defined in the Prospectus have the same meaning in this document unless the contrary intention appears. None of the Joint Lead Managers or Co-Managers are responsible for, or have caused the issue of, this fact sheet or the Prospectus and do not make any statement in this fact sheet or the Prospectus, nor is any statement in this fact sheet or the Prospectus based on any statement by that Joint Lead Manager or Co-Manager.

Overview

The Company has been established to provide investors with access to an actively managed portfolio of global equities in a market neutral structure. A market neutral fund aims to deliver consistent, positive rates of return through a market cycle with no correlation to the share market. As the Company will retain little or no net exposure to the share market, the Company's profits and consequent ability to distribute those profits as franked dividends, will depend entirely on the Manager's success in selecting Long and Short positions, rather than a rising share market.

Investment Strategy

The market neutral strategy is deployed by constructing portfolios of Long and Short Positions of roughly equal size, comprised of the Manager's best investment ideas. Using a fundamental research process, the Manager will look to invest in the shares of strong, well-managed companies when they appear cheap relative to the Manager's assessment of fair value, and short-sell weak, poorly-managed businesses when they appear expensive. The Company will profit to the extent that the Long Portfolio outperforms the Short Portfolio.

At its core, a market neutral strategy allows the manager to pick winners and losers in each sector or industry group, while hedging the fund's exposure to the share market. In the same way, the Fund's net exposure to regional and foreign exchange risks is also hedged.

About the Investment Manager

Watermark Funds Management is a boutique fund manager, founded by Justin Braiting in 2003. As a specialist long/short investor in Australian and International equities, Watermark offers an alternative to traditional 'long-only' funds.

Offer Details	
ASX Code (Share/Option)	WGF/WGFO
Offer Amount (Min/Max/Overs)	\$40m/\$110m/\$40m
Application Amount	\$1.10
Proforma NAV (\$40m/\$110m)	\$1.073 / \$1.078
Option Strike Price	\$1.10
Share to Option Ratio	1 : 1

Investment Performance

Watermark currently manages an international market neutral portfolio within another of its Listed Investment Companies. Watermark Market Neutral Fund Ltd (WMK) can have up to 50% of its gross exposure invested in global shares.

Over the period from July 2015 to September 2016, WMK's international portfolio of Long Positions increased by 10%, while its international portfolio of Short Positions decreased by 18%. This equates to a 28% differential between the two international portfolios. This differential or 'spread' represents the gross return generated from WMK's international portfolio. The MSCI AC World Net Index increased by 2% over the same period.



Past performance is not indicative of future performance. The performance of the Company will not necessarily be similar to the historical performance of the Watermark Global Fund.

Timetable	
Lodgement of Prospectus	27 Oct 2016
Offer Expected to Open	7 Nov 2016
Broker Firm Offer Expected Close	2 Dec 2016
General Offer/Priority Expected to Close	9 Dec 2016
Shares and Options Commence Trading	21 Dec 2016
Options Expire	16 Nov 2018



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Key Investment Personnel

Justin Braiting, Chief Investment Officer

Justin established Watermark in 2003. He is responsible for the portfolio construction and oversight. Prior to establishing Watermark he was a Portfolio Manager and Investment Analyst at Bankers Trust for 12 years. The team was consistently ranked in the top quartile of managers. Justin is Chairman of Australian Leaders Fund Ltd and a Director of Watermark Market Neutral Fund Ltd.

Tom Richardson, Portfolio Manager

Tom joined Watermark in December 2009. He is responsible for basic industries, and managing risk and positions within the portfolios. Tom began his career as a Research Analyst with Renaissance Asset Management in 2006. Tom holds a Bachelor of Aerospace Engineering from the University of Sydney and is a CFA charter holder.

Simon Felton, Portfolio Manager

Simon joined Watermark in October 2016. He is responsible for coverage of industrials, managing risk and positions within the portfolios. Simon was a senior investment analyst at Platinum Asset Management for 12 years. He covered a diverse range of sectors and geographies including Industrials, Automotive and Retail Sectors. Prior to this he was a lawyer at Blake Dawson Waldron. Simon holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales and is a CFA charter holder.

Directors

Rohan Hedley, Independent Chairman

Rohan has 28 years' experience in the funds management and investment industry. He had an extensive career at Bankers Trust Funds Management and after leaving founded, seeded and managed the successful boutique Australian equity hedge fund manager, Hayberry Investments. Rohan graduated from the University of Newcastle with an accounting degree.

Philip Howard, Independent Director

Philip has over 28 years' experience in the financial services industry. He was a director and Company Secretary of Platinum Capital Limited and Platinum Asset Management Limited. Prior to those appointments, he was Platinum's Chief Operating Officer. He holds a Bachelor of Commerce from the University of Tasmania and is a member of the Institute of Chartered Accountants of Australia.

Justin Braiting, Non-independent Director

See key investment personnel (above)

Tim Bolger, Non-independent Director

Tim is the Chief Operating Officer and is responsible for all non-investment functions at Watermark. He brings extensive experience in the development, marketing and distribution of investment products throughout Australia and internationally. Prior to joining the Manager, Tim was a Director of Distribution at Bennelong Funds Management. Tim holds a Bachelor of Arts and a Diploma in Law.

Fee Structure

In return for the performance of its duties as Manager of the Portfolio, the Manager is entitled to be paid monthly a Management Fee equal to 1.20% (plus GST) per annum of the Value of the Portfolio (calculated on the last business day of each month and paid at the end of each month in arrears).

In addition to the Management Fee, the Manager is entitled to be paid by the Company a fee (Performance Fee) equal to 20% (plus GST) of the Portfolio's outperformance relative to the RBA Cash Rate (Benchmark) over the 12 month period subject to the recoupment of prior underperformance.

Contacts

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